

FISCAL NOTE

Bill #: SB0138

Title: Submit fee for legion of valor license plates to electorate

Primary

Sponsor: Eve Franklin

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
General Fund	\$81,714	\$0
Revenue:		
General Fund	\$5	\$0
State Special Revenue	30	50
Other	15	0
Net Impact on General Fund Balance:	(\$81,709)	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

Department of Justice

1. Currently 5 individuals who have been awarded the Legion of Valor and would be eligible to participate in this program reside in the state of Montana. Assuming participation in this program would be 100%, it is estimated that approximately 5 original application Legion of Valor license plates would be issued during calendar 2000 and approximately 5 renewals in calendar 2001.
2. Department of Justice operating expenses are estimated at \$19,829 in FY 2000 consisting of \$3,629 for computer processing time due to programming and system testing and \$16,200 for consultant services for an estimated 216 hours of programming at \$75/hour.

3. It should be noted that if more than one new plate type passes into law, that all new plate types can be completed at the same time. Whether one or several, the cost would be \$19,829.

Department of Military Affairs

4. The original application fee of \$10 would be distributed \$3 to the county general fund, \$1 to the state general fund, and \$6 to the state veterans' cemeteries special fund and upon subsequent annual renewal of registration the \$10 special fee would be deposited to the state veterans' cemeteries special fund. Estimated revenues for FY 2000 are \$15 for the county general funds, \$5 for the state general fund, and \$30 for the state veterans' cemeteries special fund. FY 2001 revenues are projected to be approximately \$50 for the state veteran's cemeteries special fund.

Department of Corrections (DOC)

5. There is no fiscal impact anticipated to the DOC, as existing license plate operations general fund budget request should be sufficient to cover any cost associated with this bill if the National Guard veteran plate and legion of valor plate design are silk screened on the plates instead of using a decal. It is estimated that the number, type, and cost of plates issued would not be of the volume to request additional appropriation authority.
6. Additions to section 61-3-332 (10), MCA establish procedures for legion of valor license plates. These plates would be the same as regular issue license plates with a design or decal displaying the Montana National Guard insignia and legion of valor medallion depending on the type of plate.
7. If the electorate did not pass imposing the \$10 license plate fee for legion of valor plates these plates could still be produced without a major impact to the license plate operation at Montana State Prison.

Secretary of State

8. For purposes of CI-75 and submitting SB138 to the electorate, this issue is only one of many likely to be submitted. Therefore, the impact presented in the fiscal note is only for the "extra" (marginal) cost which would be incurred by the state in preparing a Voter Information Packet (VIP) for the specific issue contained in the proposed bill. The VIP circulation is 525,000.
9. SB138 will require at least 11 pages of explanation to be printed in the VIP at .00236 cents per page for a total cost of \$13,629. ($11 \times .00236 \times 525,000 = \$13,629$)
10. Although the Secretary of State does not have a general fund budget, the cost of submitting these issues to the electorate will be supported with general fund. In the event the SB138 surcharge is adopted, thereby generating the proposed state special revenue, the general fund would be reimbursed the \$13,629 cost of the ballot issue.
11. The Secretary of State will maintain records of the marginal cost for each ballot issue and notify agencies of the general fund reimbursement due after the election. Each agency will receive a one-time-only transfer appropriation for this purpose.
12. Although counties also will incur a cost for distribution of the VIP, funding will be distributed to the counties by the Secretary of State for this purpose. In the event the SB0138 surcharge is adopted, thereby generating the proposed state special revenue, the general fund would be reimbursed the \$48,256 cost of distributing the VIP regarding this ballot issue. ($11 \text{ of pages} \times .008356 \times 525,000 = \$48,256$)

FISCAL IMPACT:

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
FTE		
<u>Expenditures:</u>		
Department of Justice:		
Operating Expenses	\$19,829	\$0
Secretary of State:		
<u>Expenditures:</u>		
Operating Expenses	\$13,629	\$0
Transfer to Counties	<u>\$48,256</u>	<u>\$0</u>
TOTAL	\$61,885	\$0
<u>Funding:</u>		
General Fund (01)	\$81,714	\$0
<u>Revenues:</u>		
General Fund (01)	\$5	\$0
State Special Revenue (02)	30	50
Other	15	0
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	\$(81,709)	\$0
State Special Revenue (02)	30	50
Other	15	0

TECHNICAL NOTES:**Department of Justice**

It should be noted that if more than one new plate type passes into law, that all new plate types can be completed at the same time. Whether one or several, the cost would be \$19,829.

Department of Corrections

This bill increases the current number of license plates currently produced by the license plate operation at the Montana State Prison or needing to be reviewed by the Highway Patrol.

Secretary of State

1. Upon passage and approval of the SB138 ballot issue by the electorate, the Secretary of State would bill the Department of Military Affairs \$13,629 for its proportionate share of the VIP and \$48,256 for its proportionate share of the distribution costs incurred by the counties to be paid from the new state special revenue created by approval.
2. If the ballot issue were not approved, the general fund appropriated in HB2 would bear the cost.

Department of Military Affairs:

3. Revenue from the application fee is insufficient to pay for the license plates and the CI-75 ballot issue.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

County general fund revenues would increase by approximately \$15 in FY 2000 based upon the estimated number of new issue license plates.

CI -75: For SB138 the mailing costs of the VIP and the extra item on the ballot would be marginal costs. Assuming 11 pages for this issue at .008356 per page distributed to 525,000 addresses, counties would incur a cost of \$48,256 in FY 2000. See the Technical Note below.

TECHNICAL NOTES in consideration of CI-75

1. The costs presented for the SB138 ballot issue will be included in a comprehensive analysis of the planned electorate vote(s) prior to the end of the session, based on all ballot issues adopted by the 56th Legislative Assembly.
2. When considering the comprehensive costs of an electorate vote, any costs greater than \$194,203 which are distributed to the counties must be funded by the Legislature (1-2-112, MCA).
3. For FY 2000, a statewide election would have a base cost of \$690,000 for the counties and \$46,987 for the state for total general fund of \$736,987. General fund will be appropriated in HB2 to the Secretary of State for this statewide base cost and all the cumulative per-ballot-issue marginal costs at the end of the session.
4. In FY 2001, a tax election would be combined with a general election and would, therefore, require only marginal costs for ballot issues.